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AUTHOR Henderson, William E.
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ABSTRACT

The course for grades 10 through 12 outlined in this guide provides a study of the American system of private enterprise and the basic economic principles upon which it is based. Among the course goals are that the student will: 1) discover that the American economy, as evidenced through the free enterprise system, exist for the individual; 2) integrate the relationship between the functions of money and banking into the American economy; 3) analyze the types of investments that can improve one's financial position, 4) justify the importance of demand-supply analysis in the proper functioning of our economic system; 5) analyze the economics of international trade; and, 6) formulate hypotheses as to the ideal economic model or policy to which the United States should subscribe. The guide itself is divided into a broad goals section, a content outline, objectives and learning activities, and teacher/student materials. Course content is closely tied to objectives, and is organized according to the following sections: 1) The American Economy; 2) Money and Banking; 3) Business Organizations; 4) Investment; 5) Demand-Supply Analysis; 6) Wage and Labor Analysis; 7) The Consumer; 8) Economics of International Trade; and, 10) American Economic Policy. Both learning activities and materials are highly varied. Related documents are: SO 002 708 through SO 002 718, SO 002 768 through SO 002 792, and SO 002 947 through SO 002 970. (Author/JLB)

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AUTHORIZED COURSE OF INSTRUCTION FOR THE QUINMESTER PROGRAM

SP 002 769

Social Studies: INTRODUCTION TO ECONOMICS 6448.10
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DADE COUNTY PUBLIC SCHOOLS

DIVISION OF INSTRUCTION • 1971

SOCIAL STUDIES

INTRODUCTION TO ECONOMICS

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by

William E. Henderson

for the

Division of Instruction
Dade County Public Schools
Miami, Florida
1971

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INTRODUCTION

This course of study was written as a part of a total effort to revise curriculum to fit the quinmester administrative organization of schools. The materials and information in this guide are meant to be neither all-inclusive nor prescriptive; but rather, an aide to teachers as they plan instructional programs, taking into account student needs and characteristics, available resources, and other factors.

The major intent of this publication is to provide a broad framework of goals and objectives, content, teaching strategies, class activities, and materials all related to a described course of study. Teachers may then accept the model framework in total or draw ideas from it to incorporate into their lessons.

The guide is divided into 1) a broad goals section, 2) a content outline, 3) objectives and learning activities, and 4) materials. The first section provides descriptive and goal-oriented information for the teacher; "indicators of success" refers to suggested prerequisite or corequisite experiences. The content outline illustrates, in general terms, the scope and major subdivisions of the course. The objectives and learning activities section, hopefully, provides a total picture of the concept or main idea and specific behavioral objectives for a set of given learning activities. The materials section of the guide lists resources in four categories: essential textual or other material; alternate classroom materials to use in place of or in addition to the aforementioned; supplementary teacher resources; and supplementary student resources. The appendix may include other material appropriate for a specific course: e.g., pretests, readings, vocabulary, etc.

Anyone having recommendations relating to this publication is urged to write them down and send to : Social Studies Office, Room 306, Lindsey Hopkins, A-1.

James A. Fleming
Social Studies Consultant

COURSE DESCRIPTION: THIS COURSE PROVIDES A STUDY OF THE AMERICAN SYSTEM OF PRIVATE ENTERPRISE AND THE BASIC ECONOMIC PRINCIPLES UPON WHICH IT IS BASED AND FUNCTIONS.

CLUSTER: Political and Economic Studies

GRADE LEVEL: 10 - 12

COURSE STATUS: Elective

INDICATORS OF STUDENT SUCCESS: None

COURSE RATIONALE: The purposes of this course are to help facilitate student development of a personal value system, develop sound decision-making procedures based on this value system, examine the principles upon which the American free enterprise system functions, and to identify the role of the student in the operation and perpetuation of this system.

COURSE GOALS:

1. THE STUDENT WILL DISCOVER THAT THE AMERICAN ECONOMY, AS EVIDENCED THROUGH THE FREE ENTERPRISE SYSTEM, EXISTS FOR THE INDIVIDUAL.

2. THE STUDENT WILL INTEGRATE THE RELATIONSHIP BETWEEN THE FUNCTION OF MONEY AND THE FUNCTION OF BANKING INTO THE AMERICAN ECONOMY.

3. THE STUDENT WILL DISTINGUISH BETWEEN THE FORMULATION, FUNCTIONS, AND BENEFITS OF BUSINESS ORGANIZATIONS.

4. THE STUDENT WILL ANALYZE THE TYPES OF INVESTMENTS THAT CAN IMPROVE ONE'S FINANCIAL POSITION, BOTH PRESENTLY AND IN THE FUTURE.

5. THE STUDENT WILL JUSTIFY THE IMPORTANCE OF DEMAND-SUPPLY ANALYSIS IN THE PROPER FUNCTIONING OF OUR ECONOMIC SYSTEM.

6. THE STUDENT WILL SUGGEST A METHOD FOR INCORPORATING WAGE AND LABOR ANALYSIS AS A NECESSARY INGREDIENT FOR SUCCESSFUL BUSINESS OPERATIONS.

7. THE STUDENT WILL DISCUSS CRITICALLY THE ROLE OF THE CONSUMER IN THE AMERICAN ECONOMY.

8. THE STUDENT WILL ANALYZE THE ECONOMICS OF INTERNATIONAL TRADE.

9. THE STUDENT WILL FORMULATE HYPOTHESES AS TO THE IDEAL ECONOMIC MODEL OR POLICY TO WHICH THE UNITED STATES SHOULD SUBSCRIBE.

COURSE CONTENT OUTLINE:

I. The American Economy

A. The free enterprise system

1. Role of the individual
2. Role of business
3. Role of government

B. Economic goals of the United States

1. Personal goals of the individual
2. National goals of the country

C. Measuring economic growth

1. Gross National Product defined
2. Gross National Product measured

II. Money and Banking

A. The role of money

1. Functions
2. Characteristics
3. Types in circulation

B. The role of banks

1. Federal Reserve System

a. Services offered
b. Controls employed

2. Commercial banks

a. Creation of money
b. Federal Deposit Insurance Corp.

C. Inflation

1. Types encountered
2. Degree indicated

a. Price indices
b. Equation of exchange

3. Controls prescribed

III. Business Organizations

A. Factors of production

1. Natural resources
2. Management
3. Capital
4. Labor

B. Formulation, function, and dissolution of businesses

1. Single proprietorship
2. Partnership
3. Corporation

Course Content Outline (Cont'd)

IV. Investment

A. Financial management

1. Goals established
2. Risks involved

a. Liquidity
b. Safety
c. Interest
d. Stability of value

B. Savings institutions

1. Mutual savings banks
2. Savings and loans
3. Savings departments of commercial banks
4. Credit unions

C. Stocks and bonds

1. What they are
2. How to use them
3. Mutual funds

D. Other

1. Trusts
2. Insurance
3. Real estate

V. Demand-Supply Analysis

A. Economic conditions

1. Perfect or pure competition
2. Imperfect competition

a. Pure monopoly - monopsony
b. Oligopoly - oligopsony
c. Monopolistic competition

B. Demand

1. Necessary conditions
2. Schedule and curve

a. Law of Demand
b. Law of Diminishing Marginal Utility
c. Elasticity

C. Supply

1. Necessary conditions
2. Schedule and curve

a. Law of Supply
b. Elasticity

D. Price determination

1. Interaction of supply and demand
2. Relation to the free enterprise system

Course Content Outline (Cont'd)

VI. Wage and Labor Analysis

A. Employment

1. Effect of education and training
2. Effect of unionization

a. History of unions
b. Advantages and disadvantages

B. Wage determination

1. Law of Diminishing Returns
2. Law of Marginal Productivity
3. Effects on the supply of labor
4. Integration into business activity

VII. The Consumer

A. Economic effect of the consumer

1. Consumption level
2. Income status
3. Savings accumulated
4. Credit achieved

B. Advertising effects on the consumer

1. Institutional vs. product advertising
2. Effect of propaganda on behavior

a. Psychological, social, and economic motivations
b. Rational consumer
c. Emotional consumer

3. Advantages and disadvantages

C. Aids and protection for the consumer

1. Legislation
2. Organizations

VIII. Economics of International Trade

A. Free trade (classical model)

1. Laws of Absolute and Comparative Advantage
2. Reasons for interference with free trade
3. Restrictions of free trade - tariffs

B. Development of United States trade policy through tariffs

C. International trade organizations and agreements

IX. American Economic Policy

A. Classical economic model

B. Keynesian or new economic model

C. Modern economic policy

1. Achievement of economic goals
2. Regulation of business cycles
3. Measurement of business performance
4. Combination of old and new models
5. Necessity for a new theory

GOAL 1: THE STUDENT WILL DISCOVER THAT THE AMERICAN ECONOMY, AS EVIDENCED THROUGH THE FREE ENTERPRISE SYSTEM, EXISTS FOR THE INDIVIDUAL.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
THE STUDENT, AS AN INDIVIDUAL, IS ONE OF THE MOST IMPORTANT COMPONENTS OF THE FREE ENTERPRISE SYSTEM IN AMERICA.	A. The student will evaluate the role of the consumer, business, and government in the American economy.	1. Have the students view the film, <u>It's Everybody's Business</u> (22'C, 1-10214), and answer the following discussion questions: a. How do our freedoms in the United States provide a foundation for our business system? b. Do any dangers exist that might affect these personal, political, and economic freedoms? c. What roles should the consumer, business, and government assume in protecting and perpetuating this free enterprise system? 2. Divide the class into the following groups: consumer, business interests, and government. Let each group answer the following questions among themselves: a. What is the importance of your group in the economy? b. What role should your group assume? c. Should any restrictions or regulations be placed on your group or its activities? d. What relationship should exist between your group and the other groups in our economic structure? After the groups have answered these questions, have a member of each group represent them in a debate with representatives from the other groups debating and presenting a defense of their role in society.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
	B. The student will distinguish between the economic goals of the individual and those of the nation as a whole.	1. Elicit responses from students as to what they consider their personal economic goals to be, and list them on the chalk board for discussion. 2. On an acetate, list the economic goals of the United States, or, if possible, ask the students to identify them after reading copies of the President's State of the Union Address of his Report on the Economy (obtainable from the Miami Herald or New York Times Newspapers). Ask the students to respond to the following: a. How are your individual goals similar to those of the nation? Different? b. Do the goals of the nation represent those of the individual? c. Can the individual achieve his goals through the achievement of those of the nation or vice versa? d. How do the economic goals of the United States relate to those of the poor, i.e., in Appalachia, urban ghettos?
	C. The student will cite evidence for the importance of the individual's contributions to Gross National Product.	1. Define GNP as the total amount of goods and services produced in a country during a given time period, and then ask the students to define or construct methods for its measurements.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		2. Ask the class to respond to the following: a. What effect do you, as an individual, have on GNP? (As a consumer?) b. Would it be possible to determine GNP without the contributions of the individual? c. Could GNP, as a measurement, exist without the presence of consumers? 3. To illustrate the expenditure method for determining GNP, divide the class into the following groups: consumers, business, government, net foreign investment. Ask each group to determine in what general categories could their expenditures be classified, and then have a representative from each group list their expenditures on the chalk board. The total of all four lists of expenditures will equal GNP.

GOAL 2: THE STUDENT WILL INTEGRATE THE RELATIONSHIP BETWEEN THE FUNCTION OF MONEY AND THE FUNCTION OF BANKING INTO THE AMERICAN ECONOMY.

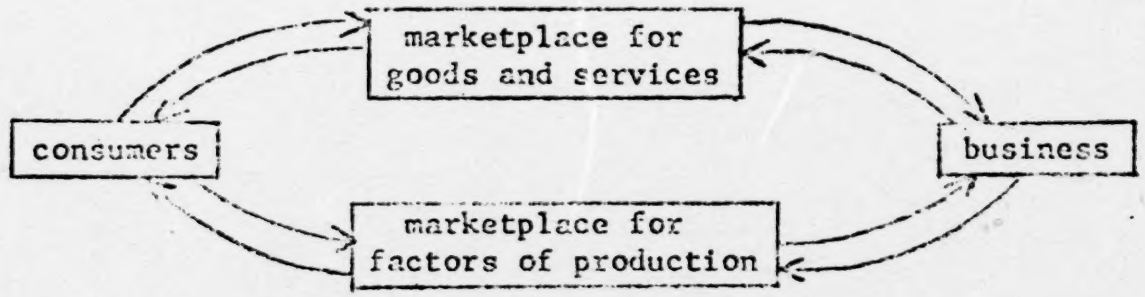
FOCUS	OBJECTIVE	LEARNING ACTIVITIES
THE FUNCTION OF MONEY IS INTER-RELATED WITH THE FUNCTION OF BANKING IN THE AMERICAN ECONOMY.	A. The student will analyze the functions and characteristics of money.	1. Have the students read the booklets, Money: Master or Servant, and Counterfeit? (available in class sets from the Federal Reserve Bank of Atlanta at no charge), and respond to the following discussion questions: a. What is the role of money in the functioning of the United States economy? b. Are the functions of money necessary for the existence of our economy? c. Could you function without the existence of money? How? 2. List the characteristics of money on the chalk board and ask the students to identify forms of money that would best represent each characteristic. Then ask the students to evaluate how well United States currency measures up to the characteristics. 3. Have a student give a report on the history of money in the United States and then ask the class to justify its importance. (Sources: A Monetary History of the United States, by Milton Friedman: Facts About United States Money, available from the United States Treasury Department; or encyclopedias.) 4. Divide the students into four or five groups and instruct them to hypothetically formulate a currency other than that presently used in the United States, and answer the following:

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		a. What are the uses of your currency? b. Will another group accept your currency? Why or why not? Have each group compare their currencies with the others and then list on the chalk board, from class consensus, suggested functions and characteristics of money.
	B. The student will propose reasons for the existence of the American banking system.	1. Have the students view either of the following films: Money on the Move (28'C, 1-31173), or Federal Reserve Bank and You (30'BW, 1-31161), and respond to the following. a. What is the role of banking, as evidenced through the Federal Reserve System, the United States? b. What consumer or customer services does the banking system provide? What should it provide? c. Is it necessary for banks to control the money supply of a country? Why or why not? d. Can the banking system of the United States serve the consumer efficiently without the Federal Reserve System? 2. Students can read the following booklets and then respond to the above mentioned questions: The Federal Reserve System, Purposes and Functions, or Keeping Our Money Healthy. (both obtainable in class sets at no charge from the Federal Reserve Bank of Atlanta.)

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		3. Have the students report to the class on interviews made with banking officials with emphasis on how commercial banks create money and the role of the FDIC. 4. Plan a field trip to the First National Bank of Miami or a local bank to observe banking operations.
	C. The student will synthesize the roles of banking and money in controlling inflation in our economy.	1. Have the students read the following booklets: The Mystery of Economic Growth (available free from the Federal Reserve Bank of Philadelphia), and You and Your Money (available free from the Federal Reserve Bank of Richmond), and respond to the following: a. What are the types of inflation? b. What function does money play in inflation? c. How can the banking system help to control inflation? d. Can inflation exist without the existence of money? How? 2. Invite a local banker to come in and speak to the class on inflation, price indices, and the equation of exchange, and on controls of inflation. 3. Initiate a general group discussion of the following topic: Will control of inflation benefit the individual in the long-run?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		5. Have the students research and report on the relationship of price indices and the equation of exchange to inflation.

GOAL 3: THE STUDENT WILL DISTINGUISH BETWEEN THE FORMULATION, FUNCTION, AND BENEFITS OF BUSINESS ORGANIZATIONS.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
BUSINESS ORGANIZATIONS BOTH REPRESENT AND BENEFIT THE CONSUMER IN THE UNITED STATES.	A. The student will analyze the role of the factors of production in the free enterprise system.	1. On an acetate, illustrate the circular flow diagram of the economy:  Ask students to respond to the following: a. In which direction is the money flowing? b. In which direction are the factors or results of production flowing? c. Which factors of production apply to each area of the diagram? d. What role does the consumer play in the functioning of the diagram? e. Can the diagram exist without the consumer? 2. Divide the class into the following groups: natural resources, management, capital, labor, and ask them to respond to the following:

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		a. How would you define the purpose of your area? b. Can the economy function without your area? c. How does your area relate to or involve the consumer? Have a panel composed of a representative from each group defend their roles in the economy and discuss their importance with the class.
	B. The student will compare the three forms of business organizations.	1. Show the film, The Modern Corporation (28'C, 1-13311), or The Corporation filmstrip (Guidance Associates, 2 filmstrips, 2 records), and ask the students to respond to the following: a. Of what importance is the corporation to the economy? b. Why has the corporation been successful? c. Of what importance is the consumer, you, to the corporation? d. Does the corporate enterprise tend to diminish the roles and importance of the single proprietorship and partnership? e. As an investor, which of the three business organitions mentioned above would it be most beneficial for you to enter?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		2. Present the following situation to the class: They have just turned 21, have saved a few thousand dollars, and are considering going into business for themselves. Consider the following: a. List the characteristics of the three forms of business organizations on the chalk board. b. Describe the advantages and disadvantages of each. 3. Invite a speaker from the Small Business Administration to come in and discuss the costs and risks of starting a business.

GOAL 4: THE STUDENT WILL ANALYZE THE TYPES OF INVESTMENTS THAT CAN IMPROVE ONE'S FINANCIAL POSITION, BOTH PRESENTLY AND IN THE FUTURE.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
ONE'S FINANCIAL POSI-CAN BE IMPROVED THROUGH AN INTELLIGENT INVESTMENT PROGRAM.	A. The student will suggest goals and risks that might be encountered when investing money.	1. Have the students identify possible goals for individual financial investment and list them on the chalk board. 2. List risks, as suggested by students, that might be encountered when attempting to achieve their investment goals. Discuss the risks associated with the goals to evaluate the possibility of achieving the goals. 3. Have students play the Monopoly game (available from Parker Brothers) to identify risks involved when investing money, or Panic (available from Interact and deals with buying and selling on the market in 1929).
	B. The student will compare the investment possibilities of various savings institutions.	1. Have the students research and report to the class on the following savings institutions: commercial banks, savings and loans, and credit unions. 2. Ask the students to respond in writing to the following: Given $1,000 to invest, which of the savings institutions would you deposit it in and why? Discuss risks and benefits. 3. Invite a speaker from a credit union to come in and discuss the functions of his organization.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		4. Possible field trips might be undertaken to any of these institutions to evaluate the savings possibilities at each.
	C. The student will propose reasons for investing in stocks and bonds for financial improvement.	1. Show the film, <u>The Work of Stock Exchange</u>, (C15'EW, 1-10194) and ask the students to respond to the following: a. Why would an individual wish to invest in stocks and bonds? b. Would the individual benefit more from this type of investment rather than that in a savings institution? Why? c. How does this form of investment help the American economy through the efforts of you, the individual citizen?
		2. Have the students read either of the following booklets and answer the question stated above: <u>You and Your Investment World</u> (obtainable in class sets from the offices of the New York Stock Exchange Education Department along with a copy of <u>Portfolio of Teaching Aids</u>) and/or <u>How to Invest in Stocks and Bonds</u> (obtainable from any local stockbroker).
		3. Invite a local stockbroker to come in and discuss investment possibilities or take a field trip to a stock brokerage firm.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		4. Have the students play the Stock Market Game, Stocks and Bonds, or Trade the Market.
		5. Have the students follow stocks to evaluate their investment judgment, noting paper losses and gains.
		6. Have the students take a field trip to the trading room of an OTC broker,i.e., M.S. Wien Co., Ingraham Building.
	D. The student will illustrate the investment possibilities of trusts, insurance, and real estate.	1. Have the students hypothetically invest money into a piece of real estate and list the variables that might affect the appreciation or depreciation of the property.
		2. Elicit responses from students concerning factors to be reviewed before selecting real estate for investment.
		3. Invite a realtor to come in and discuss the possibilities available and procedures to follow for real estate investment.
		4. Invite a local banker to come in and discuss the formulation, advantages, and disadvantages of trusts.
		5. Have the students play the Managing Your Money game (available from the CUNA Mutual Insurance Society, P. O. Box 391, Madison Wisconsin, 35701) to experience the decision-making situations that may arise when investing in insurance.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		6. Invite a speaker from a life insurance company to come in and discuss the needs for, types of, and investment possibilities in life and health insurance.

GOAL 5: THE STUDENT WILL JUSTIFY THE IMPORTANCE OF DEMAND-SUPPLY ANALYSIS IN THE PROPER FUNCTIONING OF OUR ECONOMIC SYSTEM.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
DEMAND-SUPPLY ANALYSIS IS A NECESSARY INGREDIENT FOR THE PROPER FUNCTIONING OF THE FREE ENTERPRISE SYSTEM.	A. The student will examine economic conditions under which business organizations can function.	1. Have the students identify and exemplify the following economic conditions after reading Chapter 2 in the text An Introduction to the American Economy, or the encyclopedia; pure competition, monopoly, monopolistic competition, oligopoly, oligopsony, and monopsony. 2. Have the students form an imaginary corporation and discuss its operation under each of the above mentioned conditions, considering: a. What operational adjustments would the company have to make to operate under each of these conditions, if any? b. Would the characteristics of a corporation be changed by operating under any of these conditions? c. Which of these conditions would benefit the company the most? Why? d. Which would benefit the consumer the most? Why? e. In your opinion, which of these conditions, if any, should be fully adopted by the United States? f. What would be the consequences to the economy in general from operating under each of these conditions?
	B. The student will contrast the functions of supply and demand in the marketplace operating under pure competition.	1. After having read the appropriate section in the textbook, have the students discuss the term demand, and identify its relationship to production and consumption.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		2. Provide the students with a demand schedule, and have them construct a demand curve and answer the following questions: a. Does an individual's demand change at any point on the curve? b. What factors would cause an individual's demand to change? c. How can you graph an increase or decrease in demand? d. Does the demand curve agree with the Law of Demand? How? e. Does the slope of the demand curve help to explain the Law of Diminishing Marginal Utility? How? 3. Provide the students with demand schedules for inelastic and elastic curves, and ask them to respond to the following: a. Can the elasticity of demand change over a period of time? Why? b. What are examples of products with different elasticities of demand? 4. Have the students create an imaginary corporation and identify the factors which may affect the supply of its product.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		5. Provide the students with a supply schedule and ask them to construct a supply curve and answer the following: a. Will the producer's supply of a product change at the same prices on the curve? b. How could you indicate a change in supply on the graph? What would cause it? c. Does the supply curve agree with the Law of Supply? 6. Given the definitions of elastic and inelastic supply, have the students construct corresponding supply curves and exemplify products characteristic of each.
	C. The student will identify the function of demand-supply analysis in the American economy.	1. Have the students formulate their own demand and supply schedules and then plot them on a single graph, identifying the function of the point of intersection of the two curves. 2. After the students have completed the activity suggested above, ask them to respond to the following: a. How can the businessman use demand-supply analysis under a condition of pure competition? b. Of what use is this analysis in helping to determine price in each of the economic conditions previously identified?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		c. How does the economy today in the United States rely upon demand-supply analysis? d. Is product pricing a result of demand-supply analysis? 3. To illustrate the function of demand-supply analysis, divide the class into two groups, the consumers and producers. Identify a product and have them interact and construct a demand and supply schedule for it, noting the effects that each has on product pricing in our economy.

GOAL 6: THE STUDENT WILL SUGGEST A METHOD FOR INCORPORATING WAGE AND LABOR ANALYSIS AS A NECESSARY INGREDIENT FOR SUCCESSFUL BUSINESS OPERATIONS.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
WAGE AND LABOR ANALYSIS IS A VITAL INGREDIENT FOR THE SUCCESSFUL OPERATION OF OUR ECONOMY.	A. The student will analyze the relationship between unions and labor, noting the effects on employment and wages.	1. Have the students view the film, The Rise of Organized Labor, (18'BW, 1-13022), or the filmstrip, Growth of the Labor Movement (available from Guidance Associates), and John L. Lewis, (1-31550), and respond to the following discussion questions: a. What are the advantages and disadvantages of belonging to labor unions? b. Does the employer or employee benefit from unionization? How? c. Has society, in general, improved because of unionization of labor? d. What are the advantages and disadvantages to the economy from the existence of organized labor? 2. Elicit from students examples of different labor unions, perhaps those to which they or their parents belong, and identify the business or industry with which they are associated, then answer the questions in # 1. 3. After hearing oral reports on the relationship between education and earnings potential, have the students identi and list on the chalk board various jobs and their respe.t-tive wages, and respond to the following: a. What is the difference among the high school drop-out, graduate, and college graduate as far as earnings are concerned? b. How do professional organizations differ from unions?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		c. What effects do both professional organizations and unions have on wages of their respective members?
	B. The student will devise a method for determining wages and employment, quantitatively, considering the effects of the labor supply.	1. To illustrate the law of diminishing returns, have the students construct and graph an example of a company with a fixed-capacity of production where the labor supply is increasing. Discuss the following: a. In a fixed-capacity plant, what happens to the wages of workers when the number of employees is increased? b. What happens to the employment of the company in the long-run if employees are increased?
		2. Provide the students with the following information and have them plot a curve to represent it: (marginal product is plotted on the vertical axis, and units of labor on the horizontal axis). Marginal product/worker/week — Units of Labor $200 — 50 250 — 45 300 — 40 350 — 35 400 — 30 450 — 25 Ask the students to respond to the following:

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		a. What would be the wage/week and the number of workers to be hired by a company operating under wage competition, assuming the above information applies to the company? b. What effect would a minimum wage of $225/week have on the number of workers to be employed? c. Does the curve represent the Law of Marginal Productivity? How? d. Does the marginal productivity of the last worker set the maximum wage rate? e. Can an employer afford a loss on a worker under pure competition? f. How is the Law of Diminishing Returns related to the Law of Marginal Productivity on the graph? g. Are wages and employment determination inter-related? 3. After defining the supply of labor as including all persons working, or looking for work, between the ages of 16 and 65, ask the students to identify and list on the chalk board various factors that might affect the supply of labor in a geographic location, particular industry, or trade. 4. Provide the students with copies of the following discussion question. Ask them to respond in writing to it, and then discuss it orally with the class using their responses as a starting point: How does the supply of labor facilitate or hinder the determination of wages and employment through the analytic approach?

GOAL 7: THE STUDENT WILL DISCUSS CRITICALLY THE ROLE OF THE CONSUMER IN THE AMERICAN ECONOMY.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
THE CONSUMER IS THE FOCUS OF THE AMERICAN FREE ENTERPRISE SYSTEM.	A. The student will justify the necessity of the consumer to the free enterprise system.	1. Have the students relate the activity of the consumer, in writing, to each of the following: a. Consumption levels of American families b. Savings accumulated and their use c. Production of goods and services d. Demand-supply analysis e. Factors of production Then have the students exchange papers and enter into an oral discussion based upon what they have written. 2. Show the film, <u>The Wise Use of Credit</u> (12'C, 1-10199) or have the students read the booklet entitled, <u>Understanding Consumer Credit</u> (obtainable from the Educational Opportunities Division, Follett Educational Corporation, Chicago, at cost) and ask the students to respond to the following: a. How is consumer credit established? b. What are acceptable and unacceptable reasons for borrowing? c. Has the credit system evidenced in our country helped or hindered the economy? Why? d. Can the economy operate as successfully, if at all, without the consumer or consumer credit?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
	B. The student will analyze the relationship of advertising to the consumer.	1. Show the film, The Magic Key (20'C, 1-11587) and ask the students to respond to the following? a. What role does advertising play in the free enterprise system? b. Which type of advertising seems to be the most effective? c. Can our economy function successfully and efficiently without advertising? Why or why not? d. Is consumer sovereignty affected or effected by advertising? Explain. 2. Instruct the students to bring examples of advertising, obtained from magazines or newspapers, to class and identify. a. Media used b. Type of product c. Price range of product d. Age group advertising is direct at e. Income group advertising is directed at f. Method used to attract consumer attention It might prove beneficial to ask students to attempt to identify product, visually, from ad alone.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		3. Ask students to list the products they have purchased during the last month and then identify the psychological, social, or economic motives behind the purchase to determine whether they are an emotional or rational consumer.
	C. The student will identify the various sources of aid and protection available to the consumer.	1. Invite speakers in from the following areas to discuss their roles in consumer protection or have students research and report to the class on their activities: a. State Attorney General's office b. Private attorney c. Consumer Protection Division of Dade County d. Better Business Bureau e. Chamber of Commerce f. <u>The Miami Herald</u>
		2. Have the students read and report on the national consumer protection agencies, i.e., Justice Department, Departmen' of Agriculture.
		3. Show the New York Times filmstrip on <u>Protecting the Consumer</u> and ask the students to respond to the following: a. What are the most important aspects of the Truth-In Lending and Truth-In Packaging legislation to the consumer?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		b. How can it be improved? Enforced? 4. Have the students read and discuss the role of the following in protecting the consumer: a. Ralph Nader b. Consumer's Reports c. Changing Times

GOAL 8: THE STUDENT WILL ANALYZE THE ECONOMICS OF INTERNATIONAL TRADE.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
THE ECONOMICS OF INTERNATIONAL TRADE ARE MORE COMPLICATED THAN, AND AN EXTENSION OF, THE ECONOMICS OF INTERNAL TRADE WITHIN A COUNTRY.	A. The student will specify the assumptions inherent in any application of David Ricardo's theory of free trade.	1. After identifying the classical view of David Ricardo as being an integral part of the classical model, ask the students to respond to the following: (A report on David Ricardo's contributions to trade can be given by a student prior to this discussion.) a. In what ways is Ricardo's policy consistent with the other aspects of the classical theory? b. Why has this viewpoint been the least observed in the history of international trade? c. What relation do the Laws of Comparative and Absolute Advantage have to Ricardo's ideas on trade? d. Is Ricardo's policy applicable today? Why or why not? 2. Elicit responses from the students as to why nations may be allowed to interfere with free trade and the effects of such interference on Ricardo's theory. 3. Have the students debate the following topic before the class: Resolved: The Common Market is an example of David Ricardo's policy of free trade. 4. Assign students different nations and have then research the principal product(s) exported by their respective countries. Assuming all of the nations are operating under Ricardo's theory, ask them to establish a trade policy among themselves.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
	B. The student will illustrate the hypothesis that a country's history can be traced through its tariff policies.	1. Have the students research and report back to the class on the different types of tariffs and other restrictions that can be placed on international trade. After this presentation, ask the class to identify the consequences of such restrictions to free trade. 2. Have the students obtain a duty schedule from the Customs Department and then ask the class to bring in products that might be traded among nations. Ask the class to identify and attempt to explain the differences in tariffs for different products. 3. Have the students research and report on the relationship between tariffs and a country's history for the following nations: United States, France, and Great Britain. The answers to the following should be included in their oral presentations: a. What considerations were foremost in determining policies at various stages in the country's history? b. In what ways have the needs and interests concerning tariffs changed? c. Is there a movement from self-sufficiency and protection to awareness of trade expansion based on mutual interest and cooperation?

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
	C. The student will compare the functions of the major world trade organizations.	1. Show the film Exports Mean Business: Introduction to Foreign Trade (28'BW, 1-31491), and ask the students to respond to the following: a. How does foreign trade differ from trade within a nation? b. Explain the effect of exports and imports on the United States balance of payments position. c. Would international trade organizations facilitate or hinder trade among and between nations? How? 2. Have the students report on the functions of the following trade organizations, noting their relation to the United States influence in the world marketplace: Common Market, European Free Trade Association, Latin America Free Trade Association. 3. To identify and examine the operation of the Common Market, have the students analyze the economic and geographic contributions of the member countries by examining and investigating economic atlases.

GOAL 9: THE STUDENTS WILL FORMULATE HYPOTHESES AS TO THE IDEAL ECONOMIC MODEL OR POLICY TO WHICH THE UNITED STATES SHOULD SUBSCRIBE.

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
BECAUSE OF THE COMPLEXITY OF THE AMERICAN FREE ENTERPRISE SYSTEM, ANY ECONOMIC MODEL PRESCRIBED WILL HAVE TO BE GENERAL, YET COMPREHENSIVE, AND FLEXIBLE.	A. The student will differentiate between the classified economic model and the new economic model.	1. Have the students identify and then list on the chalk board the characteristics and conditions necessary for the classical model. 2. Divide the class into three groups, the consumers, business, and government. Assuming that the economy of the class is operating under the classical model, ask each group to answer the following: a. In what ways does your group benefit from operating under this model? b. Does this model benefit society in general? How? c. Can progress be achieved under this model? Why or why not? d. Are there any adverse effects that this model might have on the economy? Have a representative from each group present the viewpoint of his group to the class for discussion and critism. 3. Repeat activities # 1 and # 2 with the new or Keynesian model, noting the major differences in its operation.
	B. The student will specify the limitations of any economic model or policy when attempting to satisfy societal or economic needs.	1. Show the students the films '29 Boom and '30's Depression (15"BW, 1-10178), and Backdrop for Public Policy (29'BW, 1-31288), and ask them to respond to the following:

FOCUS	OBJECTIVE	LEARNING ACTIVITIES
		a. Can an economic policy successfully prevent excessive fluctuation of business cycles? Why or why not? b. Can an economic model help in the measurement of business performance? c. What limitations would either the classical or new model experience when attempting to prevent economic fluctuation? 2. Show the New York Times filmstrip, Prosperity Without End and ask the students to respond to the following: a. Will either the classical or new model completely satisfy all of the economic goals of the United States? b. What characteristics should an economic model have in order to operate successfully in today's economy? c. Is it possible to have an effective economic model today that will be acceptable in the future? Why or why not?

MATERIALS:

I. Recommended basic textual and other materials:

A. Textual (Books):

Fersh, George L. and Calderwood, James D. Economics in Action. New York: The MacMillan Company, 1968.

Gordon, Sanford D. and Witchell, Jess. An Introduction to the American Economy - Analysis and Policy. Boston: D.C. Heath and Company, 1967.

B. Supplemental textual material (class sets of booklets):
* Teacher copy only

Bohlman, Herbert W. and Bohlman, Edna McCaull. Understanding Consumer Credit. Chicago: Follett Educational Corporation, 1968.

Counterfeit? Atlanta: Federal Reserve Bank of Atlanta, 1970.

Federal Reserve System, Purposes and Functions. Atlanta: Federal Reserve Bank of Atlanta, 1963.

How to Invest in Stocks and Bonds. New York: Merrill Lynch, Pierce, Fenner & Smith, 1970.

Keeping Our Money Healthy. Atlanta: Federal Reserve Bank of Atlanta, 1966.

Money: Master or Servant. Atlanta: Federal Reserve Bank of Atlanta, 1969.

The Mystery of Economic Growth. Philadelphia: Federal Reserve Bank of Philadelphia, 1966.

You and Your Investment World. New York: New York Stock Exchange Educational Division, 1969.

You and Your Money. Richmond: Federal Reserve Bank of Richmond, 1969.

* Portfolio of Teaching Aids. New York: New York Stock Exchange Educational Division, 1969.

C. Periodicals:

Consumers Reports magazine. New York: Consumers Union of United States, Inc., 1971.
(Six subscription copies are recommended for group use)

D. Audio-visual: (All films available from Lindsey Hopkins)

Backdrop for Public Policy. MPL, 29 min. BW.

Exports Mean Business: Introduction to Foreign Trade. WRS Motion Pictures Lab, 28 min. BW.

Federal Reserve Bank and You. Federal Reserve Bank of Atlanta, 30 min. BW.

It's Everybody's Business. United States Chamber of Commerce, 22 min. Color.

John L. Lewis. Wolper, 26 min. BW.

Money on the Move. Federal Reserve Bank, 28 min. Color

The Magic Key. Advertising Club of Miami, 20 min. Color.

The Modern Corporation. Sutherland, 28 min. Color.

The Rise of Organized Labor. McGraw-Hill, 18 min. BW.

The Wise Use of Credit. Sutherland, 12 min. Color.

The Work of the Stock Exchange. Coronet, 15 min. BW.

'29 Boom and '30's Depression. McGraw-Hill, 15 min. BW.

Filmstrips:

Growth of the Labor Movement. Guidance Associates. 2 filmstrips and 2 records.

Prosperity Without End. New York Times, Inc., 1969. 1 filmstrip, record, and guide,

Filmstrips (Cont'd)

Protecting the Consumer. New York Times, Inc., 1969. 1 filmstrip, record, and guide.

The Corporation. Guidance Associates. 2 filmstrips and 2 records.

2. Alternate student and class material:

A. Supplemental textual:
* Slow learner

* Consumer Credit and You - The Consumer Finance Story. Washington, D.C.: National Consumer Finance Association, 1960.

Facts About United States Money. Washington, D.C.: United States Treasury Department, 1968.

Iman, Raymond S. and Murphy, Robert E. The Economic Process: Inquiry and Challenge. Glenview, Illinois: Scott, Foresman and Co., 1969.

Money and Economic Balance. Atlanta: Federal Reserve Bank of Atlanta, 1967.

Money and Finance. Washington, D.C.: United States Chamber of Commerce.

Money Management Institute. It's Your Credit - Manage It Wisely. Chicago: Household Finance Corp. 1970.

* Rosenblum, Marc. Economics of the Consumer. Minneapolis: Lerner Publications Co., 1970.

* Smith, Kenneth. International Trade. Minneapolis: Lerner Publications Co., 1970.

The Balance of Payments. Philadelphia: Federal Reserve Bank of Philadelphia, 1966.

The Dow Jones Averages. New York: Dow Jones Investment Service.

Unemployment to Prosperity, Why? Philadelphia: Federal Reserve Bank of Philadelphia, 1966.

Supplemental textual (Cont'd)

Using Bank Services. New York: Banking Education Committee of the American Bankers Association, 1969.

Ward, Richard. Economics, Its Principles and Means. New York: W.H. Sadlier, Inc., 1969.

* What Everyone Should Know About the American Economy and Its Problems. Greenfield, Massachusetts: Channing L. Bete Co., Inc., 1965.

* Why Economics? Washington, D.C.: United States Chamber of Commerce.

* Why Prices? Washington, D.C.: United States Chamber of Commerce.

B. Audio-visual: (All films available from Lindsey Hopkins)
* Slow learner

Banks and Credit. Coronet, 10 min. BW.

Basic Elements of Productivity. EBEC, 13 min. BW.

Cotton: From Fiber to Fabric. McGraw-Hill, 23 min. Color.

Exports Mean Business: Export Marketing Methods. WRS Motion Picture Lab, 28 min. BW.

Henry Ford. Wolper, 26 min. BW.

In Balance. Modern TP, 38 min. BW.

Inflation. EBEC, 22 min. BW.

It Happens Every Year. United States Treasure Department, 28 min. Color.

Machine: Master of Slave. New York University, 14 min. BW.

Productivity: Key to America's Economic Growth. Sutherland, 28 min. Color.

Audio-visual (Cont'd)

Sign of Dependable Credit. UW, 18 min. BW.

Then and Now. United States Treasure Department, 24 min. Color.

Filmstrips:

* Slow learner:

Automation: Promise or Threat. Guidance Associates. 1 filmstrip and record.

* Fundamentals of Economics. Eye Gate House, Inc. 8 filmstrips and guide.

Labor: Man, Jobs, and Automation. New York Times, Inc. 1 filmstrip, record, and guide.

Our Credit Economy. Guidance Associates. 2 filmstrips and 2 records.

Our Money System. Guidance Associates. 1 filmstrip and record.

The Farm Question. Guidance Associates. 2 filmstrips and 2 records.

The U. S. Economy. New York Times, Inc. 1 filmstrip, record, and guide.

Your Tax Dollar. New York Times, Inc., 1971. 1 filmstrip, record, and guide.

C. Other: (games)

Consumer. Available from Academic Games Associates, John Hopkins University.

Economic System. Available from Academic Games Associates, John Hopkins University.

Managing Your Money Game. Available from CUNA Mutual Insurance Society, Madison, Wisconsin.

Monopoly. Available from Parker Brothers, New York.

Panic. Available from Interact.

Other (Cont'd)

Stocks and Bonds. Available from 3M Company.

Stock Market Game. Available from Parker Brothers, New York.

Trade the Market.

D. Supplemental pupil resouces:

Periodicals:

Consumers Reports

Consumer Bulletins

Changing Times

Newsletter of American Council on Consumer Interests

Any of the supplemental textual material mentioned above.

3. Teacher reference material: (selected bibliography)
* May also be used for supplemental student reports and reading.

* Baker, Sinclair. The Permissible Lie: The Inside Truth About Advertising. Cleveland: World Publishing Company, 1968.

Bernstein, Peter L. A Primer on Money, Banking, and Gold. New York: Random House, 1965.

* Bishop, James Jr. and Hubbard, Henry W. Let the Seller Beware, Washington, D.C.: The National Press, Inc., 1969.

Teacher reference material (Cont'd)

* Caplevitz, David. The Poor Pay More. New York: The Free Press, 1967.

* Dell, Sidney Samuel. Trade Blocks and Common Markets. New York: Alfred A. Knoph, Inc., 1963.

Dodd, James Harvey. Applied Economics, Introductory Principles Applied to Everyday Problems. 6th ed. Cincinnati: Southwestern Publishing Company, 1962.

Faulkner, Harold Underwood. American Economic History. New York: Harper and Brothers, 1960.

* Friedman, Milton. A Monetary History of the United States, 1867-1960. Princeton: Princeton University Press, 1963.

* Galbraith, John Kenneth. The Affluent Society. Boston: Houghton Mifflin Co., 1958.

* Gentry, Curt. The Vulnerable Americans. Garden City, New York: Doubleday & Co., Inc., 1966.

GNP: The Flow of Income and Expenditures in the United States, 1967. New York: The Twentieth Century Fund, 1969.

* Heilbroner, Robert L. The Worldly Philosophers. New York: Simon & Schuster, Inc., 1953.

Holdsworth, John Thomas. Money and Banking. 6th ed. New York: D. Appleton - Century Co., 1937.

* Holloway, Robert J. and Hancock, Robert S. The Environment of Marketing Behavior. New York: John Wily & Sons, Inc., 1964.

* Humphrey, Hubert Horatio. War on Poverty. New York: McGraw-Hill Book Co., 1964.

Hutt, William Harold. Keynesianism - Retrospect and Prospect. Chicago: Henry Regnery Company, 1963.

Klein, Lawrence Robert. The Keynesian Revolution. New York: The MacMillan Company, 1961.

* Knipe, James L. The Federal Reserve and the American Dollar: Problems and Policies. Chapel Hill, North Carolina: University Of North Carolina Press, 1965.

Teacher reference material (Cont'd)

* Margolius, Sidney K. The Innocent Consumer vs. The Exploiters. New York: Trident Press, 1967.

* Market for Millions. New York: Educational Services Department of the American Stock Exchange, 1969.

* Marx, Karl. Capital. New York: Modern Library, 1906.

* Murad, Anatol. What Keynes Means. New York: Bookman Associates, 1962.

* Nader, Ralph. Unsafe at Any Speed. New York: Grossman Publishers, 1965.

* Packard, Vance Oakley. The Hidden Persuaders. New York: David McKay Col, 1957.

Policies for Protection. New York: Institute of Life Insurance, 1969.

* Realtor - Its Meaning and Use. Chicago: National Association of Real Estate Boards, 1967.

* Smith, Adam. An Inquiry Into the Nature and Causes of the Wealth of Nations. Chicago: Encyclopedia Britannica, 1955.

* Smith, Ralph Lee. The Bargain Hucksters. New York: Thomas Y. Crowell Co., 1962.

* Smith, Ralph Lee. The Health Hucksters. New York: Thomas Y. Crowell Co., 1960.

* Springer, John L. Consumer Swindles and How to Avoid Them. Chicago: H. Regency Co., 1970.

The Savings and Loan Association: An American Financial Institution. Chicago: United States Savings and Loan League, 1969.

* The Search for Economic Security. New York: Institute of Life Insurance, 1969.